

THE SECOND PACIFIC DIALOGUE

HOTEL ISTANA, KUALA LUMPUR, 8 JANUARY 1996

When I was given the honour of addressing the first Pacific Dialogue in Penang fourteen months ago, I spoke of some of the achievements and aspirations of Malaysia, and the continued contribution that we sought from our friends abroad to realise our dream of becoming a fully developed nation.

2. I also called for a common endeavour to foster a single global commonwealth founded on the principle of cooperative prosperity. Everyone should work together to make everyone prosper. Throw out beggar-thy-neighbour policies. Adopt, instead, prosper-thy-neighbour policies.

3. I urged too, the full participation of America and Europe, indeed of all the world, in the phenomenal development that is sweeping East Asia. We want all of the world to come to East Asia, so that they might prosper. So that we will prosper.

4. Finally, I called for much more mutual understanding, mutual appreciation and mutual regard between our civilisations, cultures and peoples. We have much to learn from each other. We must take the best that each has to offer the other. Instead of a barren clash of civilisations, we should have a bounteous feast of civilisations.

5. Today, I propose to dwell on just one general theme: how we can together build a less fractious and more cooperatively prosperous region. That I should choose such a theme might seem somewhat odd and misplaced to some of us. Indeed, not for a hundred years has the Pacific known so much peace, and never in its entire history has it enjoyed this much prosperity.

6. We spent much of this century as well as the last at war and in strife. If not between us, then within our own borders. Some of us were colonies for centuries. Incidentally, we were not seen to be fit for democracy then. Authoritarianism and totalitarianism were imposed on many of us by very civilised democracies. Very much in the way perhaps as that great thinker, Thomas Jefferson, could work so diligently on "the rights of man" in his study -- and then proceed to the front lawn to have tea and crumpets served by servants who had no such rights, to gaze in contentment and perhaps admiration at the remarkable industriousness of the slaves in the field.

7. Some of the more advanced economies of the world were situated in our region, but the large majority of us were poor, terribly, wretchedly and desperately poor. 8. Today, the guns are for the most part silent. No shots are being fired

across borders. All states are essentially at peace. Limited armed conflict afflicts only four of our countries.

9. The improvement in our material welfare has been even more dramatic. In 1990 the East Asian states had only 180 million absolute poor compared to 400 million two decades earlier; this despite an increase in population of 425 million during the period. Many of us tripled and quadrupled our real incomes in the last thirty years, a feat unprecedented and unmatched by any other region in the world. Or by any other experience in history.

10. Several more among us, who recently embarked on the road to productive economic reform, are poised to take wing.

11. East Asia as a whole grew annually at an average rate of 7.5 percent this decade; North America by 2.7 percent, equal to the global average. The three largest economies in the world in purchasing power parity terms -- the United States, Japan and China -- are in the Pacific. We in the Pacific produce more than half the world output of goods and services.

12. There are some who think that the dynamism of East Asia will be short-lived. Many, however, predict that East Asia will continue to grow at a rapid pace even if growth slackens as its economies begin to mature one after another. I am one of these many optimists.

13. Many more millions will be rescued from poverty, and a whole billion will have their economic livelihood dramatically improved. Over the next twenty-five years, unless something remarkably wrong happens, very probably seven of the top ten economies will be located in our region.

14. Apparently therefore, we are doing well. Why then do I think that we should dwell on the need to foster a less contentious and more cooperatively prosperous environment in the region? The reason of course, is that what is good can be improved and all is not quite well in the Pacific.

15. Peace with security, true peace, I believe, must be our ultimate objective in the region. It must be a secure peace which reposes in the human person, reigns in every home and community, and washes on every Pacific shore. It is such a vision of peace and security, comprehensive and inclusive, enduring and resilient; that must be our guide.

16. To foster this peace will not be easy for quite a few of us. It is a peace that will have to be built by many hands, and some will be stronger and more capable than others. It must be cultivated in many different political, social,

economic and cultural environments, some of them quite daunting. And as is often the case, the burden will lie most heavily on those least able to bear it.

17. To shore up our resilience we will need to continue our fight against poverty. We must create jobs, raise incomes and distribute our wealth more equitably. We must tend to political grievances and remedy social ills. Stability will need to rest on something more durable and less intimidating than the point of a gun.

18. We in the Pacific have the distinction of being the world's largest producer and consumer of narcotics. In 1993 we contributed half the global output. Everywhere the problem is getting worse, not better. We must prevent drugs - and disease - from gnawing at the vitals of our societies. We must also rid our city streets of excessive crime, and render safe our neighbourhoods.

19. As I said earlier, the responsibility for tending to these matters rests largely with the respective governments and peoples themselves. It is preposterous for anyone to believe that the afflicted do not want or are less committed to finding the remedies than the well wishers. But in a rapidly globalising and interdependent world there is much that we can - and indeed must - do to help each other as well.

20. There is a tendency among the richer countries of the region and industrial countries elsewhere to view the growth of the East Asian economies with some nervousness and disquiet. There is apprehension regarding the loss of competitive edge and the erosion of economic primacy. A shift in the balance of power is dreaded.

21. Such a situation provides rich breeding ground for old fears that draw sustenance from racial and cultural prejudice and past conflicts. It is tempting then to think of various devices to contain or complicate the growth of these economies. We seek out all the ways in which they are ostensibly competing unfairly against us. We demand the speedy dismantling of all protective measures. We ignore the fact that although open and free trade would be in the best interests of all, in the immediate term fragile and emergent economies may need to protect some of their key industries because their capacity to compete even on a level playing field is weak. We exert pressures and impose sanctions of various kinds when they are unable to oblige.

22. If we were asked, what are the primary external security issues confronting the region at present, we would without hesitation point to the Korean peninsula, the Straits issue,

and the South China Sea as among the most prominent. Few people I think, would disagree with this. But if we reflect upon the major issues that are creating tension in the Pacific, we cannot but point also to the disputes over trade and market access, and pressures exerted in the name of human rights and the environment and through social clauses. On two occasions in the last twelve months the world watched with bated breath as trade wars involving some of the world's most powerful economies seemed imminent and unavoidable.

23. It must surely be tellingly clear to all of us that this manner of handling economic and security relations in the region benefits none and hurts all concerned. The best assurance for sustainable security in the developing East Asian countries and in the larger Pacific region is the healthy growth of their economies.

24. It is no secret for instance that Malaysia's success in overcoming insurgency and preserving harmony is to a large measure due to its rapid and sustained development and the more equitable distribution of its wealth. Poverty breeds discontent and unrest, and unstable states impact negatively upon our welfare in many ways.

25. It is in our interest therefore to promote the economic foundations of security in the region. But the benefits also go beyond this. If the emancipation of the greatest number of humanity is truly our objective, we should want every country and especially the poorer ones, to prosper. If democracy and human rights are really our concern, we would promote development in every society, for democracy and human rights flourish best when the economic circumstances are most conducive.

26. The most persuasively powerful reason for prospering our regional partners however, is our own economic interest. We are witnessing the greatest transformation in history in East Asia now. Far from being a threat and challenge, the developing and reforming Pacific economies in fact offer unparalleled opportunities for business and investment. Some of the world's biggest and fastest growing markets for the products of the industrial countries are in East Asia. As millions of Asians accumulate greater purchasing power, their demand for consumer goods and services will multiply. Under these circumstances the economies best placed to reap the greatest benefit are in fact those of the developed world. They have the resources and the technology. It would be a grievous mistake indeed if we failed to appreciate this and chose instead to ignore Asia. Or worse, if we opted to we can take the path of confrontation and containment.

27. Economics transform many things. Systemic changes in the way we secure our own good and produce our goods and services have over time led to changes in the way we organise our societies, manage our politics and order relations between communities and states. In this regard, where once we were less dependent upon external trade and markets, our economies are now increasingly and irrevocably intertwined. Here in the Pacific fully 70 percent of our total trade is with each other. Trade among East Asian economies has grown very rapidly and stood at 49 percent of our global trade last year compared to 37 percent just five years before.

28. This situation requires a new approach to security. It has to be one in which there are no foes, only partners in search of mutual peace and shared prosperity. When we arm ourselves, it should only be for legitimate defence and law enforcement and even then to the minimum required for effective deterrence.

29. In this regard, I think we in the Pacific must address the issue of arms control more seriously. We spent no less than US\$470 billion on arms in 1993. This is close to the entire GDP of all the seven ASEAN countries in purchasing power parity terms. We have the world's biggest military powers and largest military spenders in our midst. Without prejudice to their legitimate national, regional or global security interests, surely more can be done to reduce the weapons in their possession. And much more can be done to limit the invention, development and perfection of ever more sophisticated weapons of destruction.

30. By the same token, we should recognise that there are states in the region whose military capabilities are relatively low and quite inadequate to satisfy their legitimate security needs. We cannot deny these states the right to enhance their capabilities. But the hard selling of more and more sophisticated arms to one will only lead to the others wanting to be similarly equipped. They are then blamed for indulging in an arms race, while the activities of the arms-dealing nations are regarded as blameless.

31. I feel I must dwell, if only briefly and however uncomfortably, on the subject of nuclear weapons. Three of the five declared nuclear powers are in the Pacific. A fourth tests here. There could also be nuclear ambitions on the part of some regional states. This region more than any other therefore needs to implement the provisions of the Nuclear Non-proliferation Treaty more vigorously. And this region must observe the Test ban and go on to outlaw nuclear arms altogether. Present technology should enable us to monitor

effectively. We have banned chemical weapons, the manufacture of which is much more difficult to detect.

32. But we are now indeed making some tangible progress. Two of our sub-regions - the South Pacific and Southeast Asia - are now under nuclear weapons free zone regimes, however modest these regimes may be.

33. Let me conclude by underlining just a few of the principles which I think are absolutely indispensable if we seek to strengthen the foundations of mutual peace and prosperity in the Pacific.

34. First among these principles, in my view, would be the highest welfare of the human society and its members. When all is said and done, this is the most profound concern of state, society and religion.

35. Next is mutual respect; the respect that is due for each other's values, cultures, aspirations and abilities. They are no less meaningful and important merely because they are not our own.

36. I would also mention equality; the equality of nations large and small, powerful and weak. It is amazing how quickly we discard this most basic of democratic principles when we turn from domestic societies and operate in the society of nations.

37. A commitment to peace and peaceful means must surely also underpin our efforts to build security and to manage our differences.

38. Given our interdependence, cooperation and mutual help will also rank as one of the important principles. Unilateralism has become a less productive option, even for the more powerful.

39. Lastly, is the principle of integrity; the integrity to abide by the very values, norms and principles which we profess and declare and expect others to live by.

40. Let us be true to ourselves and the best traditions of our society. I pray that we will not fail in responding to the immense promise of the future.